

## Audit & Risk Committee Terms of Reference

<b>Purpose</b>	<p>The purpose of this document is to set out the Terms of Reference for the Audit and Risk Committee (the Committee) as approved by SMEC Holdings Pty Limited's (the Company) Board of Directors (the Board).</p>
<b>Scope</b>	<p>This procedure covers the following:</p> <ul style="list-style-type: none"> <li>• Role</li> <li>• Membership and Attendees</li> <li>• Duties and Responsibilities</li> <li>• Authority</li> <li>• Meetings Procedure</li> <li>• Access to Information</li> <li>• Review of the Committee Terms of Reference</li> <li>• Reporting</li> </ul>
<b>Role</b>	<p>The role of the Committee is to assist the board in reviewing, assessing, implementing and managing the control environment within the SMEC Group of Companies.</p>
<b>Membership and Attendees</b>	<p>The Committee shall:</p> <ol style="list-style-type: none"> <li>1. Be chaired by an independent chair</li> <li>2. Have at least three members.</li> </ol> <p>At least one member of the Committee shall be a qualified accountant or other finance professional with experience of financial and accounting matters.</p> <p>The Committee members and the Chair shall be appointed by the Board.</p> <p>Any other person may attend meetings of the Committee at the invitation of the Chair.</p>
<b>Duties and Responsibilities</b>	<p>The role of the Committee is:</p> <ul style="list-style-type: none"> <li>• to assist the Board in safeguarding the integrity of the Companies financial reporting;</li> <li>• to assist the Board in overseeing the independence of the external auditor;</li> <li>• to assist the Board in identifying, assessing, monitoring and managing material risk;</li> <li>• to assist the Board in making timely and balanced disclosures to its shareholder.</li> </ul> <p><u>Safeguarding the Integrity of the Companies Financial Reporting</u></p> <p>In assisting the Board to safeguard the integrity of the Companies financial reports the Committee will:</p>

- review and make recommendations to the Board on the appropriateness of the Company’s accounting policies and ensure their compliance with applicable accounting standards,
- assess the adequacy and clarity of presentation of financial information to shareholders
- Ensure policies and procedures are kept up to date, and the systems of internal controls are maintained.
- Review financial accounts and make recommendations to the Board as to their adoption.
- Review any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Company’s financial reporting process.

Overseeing the Independence of the Auditor

In assisting the Board to oversee the independence of the auditor the Committee will:

- Make recommendations to the Board as to the appointment of the external auditor and approval of the auditors contract and the nature of the quantum of non audit services;
- Evaluate the performance and independence of the auditor;
- Review and approve the annual audit plan;
- Ensure that the partner managing the audit for the external auditor is changed as appropriate;
- Ensure the independence, authority and effectiveness of the external auditor and to maintain open lines of communication between the auditor and the Board;
- ensure that the Committee has unfettered access to the external auditor and be entitled to meet with the auditor without management present

Risk Management

In assisting the Board to identify, assess, monitor and manage material risk the Committee will:

- review the internal control policies and the procedures for the identification, assessment, reporting and management of risk;
- review internal audit policies and procedures, oversee and guide the internal audit program, receive and review internal audit reports and discuss matters directly with the internal auditor (if required)
- ensure compliance with laws and regulations;
- ensure that there are effective and efficient procedures for managing, reporting and responding to risks and events;
- implement appropriate action on potentially material issues or material violations of law;
- review the adequacy of the Company’s codes and policies such as the Equal Employment Opportunity Policy, Codes of Conduct, Business Integrity Policy, Occupational Health and Safety, testing compliance with these policies, and identifying areas which require policy development;

	and oversee investigations of allegations of conflicts of interest, fraud or malfeasance.
<b>Authority</b>	The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters under its Scope of Responsibility, and does not have any power to commit the Board to any recommendation or decision made by it.
<b>Meetings Procedure</b>	<p>The Committee will meet at least once per quarter and on any other occasion as often as Committee members deem necessary in order to fulfill their role.</p> <p>The Chair is required to call a meeting of the Committee if requested to do so by any committee member or the independent external auditor.</p> <p>The Company Secretary is responsible for preparing the agenda and keeping the minutes of the meetings together with copies of all materials put before the Committee.</p> <p>A quorum shall consist of two Committee members.</p> <p>In the absence of the Committee Chair or appointed delegate, the members shall elect one independent director who is not the Chair of the Board as Chair for that meeting.</p>
<b>Access to Information</b>	<p>The Committee shall have unlimited access to both the External Auditor and any other Company staff without management present.</p> <p>The Committee may also consult other independent experts, where considered necessary, on any matter pertaining to the powers or duties of the Committee without the presence of management.</p> <p>Committee members shall have unlimited access to company documentation as is appropriate to discharge their duties as a director under Australian law.</p>
<b>Review of the Committee Terms of Reference</b>	The Committee will review the continuing relevance of these Terms of Reference on an annual basis. Where changes are deemed necessary they will be submitted to the Board for approval and adoption.
<b>Reporting</b>	<p>The Chair of the Committee shall report to the Board at the Board meeting next following the Committee meeting on any key decisions or policy matters made or discussed by the Committee.</p> <p>The draft minutes of all Committee meetings will be distributed to the whole Board for their information and included in the Board papers of the next Board meeting.</p>